

Witness Statement of Cliff Krauss

My name is Cliff Krauss, and I am over twenty one years of age. I reside in Monmouth County, New Jersey. I am competent to testify, and I have personal knowledge of the following facts.

I am the President and sole shareholder of Supreme Manufacturing Company, Inc., which is a New Jersey corporation. Among other things, my company sells fruit juice and/or fruit juice concentrate. My company sells this product to many companies, which apply private labels to the juice.


On or about October or November of 2005, my company sold juice products to U.S. Beverage, Inc. under the Cool Tropics private label. My company did not own the Cool Tropics label or trademark. U.S. Beverage, Inc. paid the owner of Cool Tropics brand a licensing fee per case of juice purchased from my company that carried the Cool Tropics brand. On or about November of 2005, U.S. Beverage, Inc. began purchasing juice products from my company bearing the Juice Alive label or trademark. U.S. Beverage, Inc. paid a fee per case for the use of the Juice Alive brand to John Walker and/or his company.

My company has not colluded or conspired with John Walker or his company to force U.S. Beverage, Inc. to license the Juice Alive brand or to cause harm to U.S. Beverage, Inc. in any way. My company would have continued selling juice product to U.S. Beverage, Inc., whether or not it agreed to license the Juice Alive brand. In fact, my company would have sold juice products to U.S. Beverage, Inc. with a generic label or bearing another name chosen by U.S. Beverage, Inc. U.S. Beverage, Inc. was not forced to license the Juice Alive brand in order to continue obtaining fruit juice products from my company. In fact, U.S. Beverage, Inc. directed my company on or about the beginning of May 2006 to start putting the Fruzars brand name on the juice products. It is my understanding that U.S. Beverage, Inc. owns the Fruzars name.

My company has not given John Walker or his company any preferential pricing or terms based on his relationship with U.S. Beverage, Inc. Mr. Walker pays the same amount for juice products as any other customer, who is purchasing similar volumes of product.

I DECLARE UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.

Dated: April 3, 2007



CLIFF KRAUSS